

House Bill 1535

By: Representatives Hugley of the 133<sup>rd</sup>, Smith of the 13<sup>th</sup>, Oliver of the 83<sup>rd</sup>, Porter of the 143<sup>rd</sup>, Smyre of the 132<sup>nd</sup>, and others

A BILL TO BE ENTITLED

AN ACT

To amend Title 44 of the Official Code of Georgia Annotated, relating to property, so as to define interest rates to be charged in pawn transactions involving a motor vehicle or motor vehicle certificate of title; to provide for related matters; to provide for an effective date and applicability; to repeal conflicting laws; and for other purposes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

**SECTION 1.**

Title 44 of the Official Code of Georgia Annotated, relating to property, is amended by striking paragraph (4) of subsection (a) of Code Section 44-12-131, relating to pawn transactions, in its entirety and inserting in its place a new paragraph (4) to read as follows:

"(4)(A) During the first 90 days of any pawn transaction, except a pawn transaction involving a motor vehicle or a motor vehicle certificate of title, or extension or continuation of the pawn transaction, a pawnbroker may charge for each 30 day period interest and pawnshop charges which together equal no more than 25 percent of the principal amount advanced, with a minimum charge of up to \$10.00 per 30 day period.

(B) On any pawn transaction which is continued or extended beyond 90 days, except a pawn transaction involving a motor vehicle or a motor vehicle certificate of title, a pawnbroker may charge for each 30 day period interest and pawnshop charges which together equal no more than 12.5 percent of the principal amount advanced, with a minimum charge of up to \$5.00 per 30 day period.

(C) In a pawn transaction or in any extension or continuation of a pawn transaction involving a motor vehicle or a motor vehicle certificate of title, a pawnbroker may charge the following interest rates:

(i) Twenty-five percent for the first 30 day period;

(ii) Twenty-five percent for the second 30 day period; and

1 (iii) Five percent per 30 day period for any further extensions or continuations of the  
2 pawn transaction.

3 ~~(C)~~(D) In addition to the charges provided for in ~~subparagraphs (A) and (B)~~  
4 subparagraph (C) of this paragraph, in a pawn transaction or in any extension or  
5 continuation of a pawn transaction involving a motor vehicle or a motor vehicle  
6 certificate of title, a pawnbroker may charge the following:

7 (i) A fee equal to no more than any fee imposed by the appropriate state to register  
8 a lien upon a motor vehicle title, but only if the pawnbroker actually registers such a  
9 lien;

10 (ii) No more than \$5.00 per day in storage fees, but only if an actual repossession  
11 pursuant to a default takes place on a vehicle which was not already in the  
12 pawnbroker's possession and only for each day the pawnbroker must actually retain  
13 possession of the motor vehicle; and

14 (iii) A repossession fee of \$50.00 within 50 miles of the office where the pawn  
15 originated, \$100.00 within 51 to 100 miles, \$150.00 within 101 to 300 miles and a fee  
16 of \$250.00 beyond 300 miles, but only if an actual repossession pursuant to a default  
17 takes place on a vehicle which was not already in the pawnbroker's possession.

18 ~~(D)~~(E) If a pledgor or seller requests that the pawnbroker mail or ship the pledged item  
19 to the pledgor or seller, a pawnbroker may charge a fee for the actual shipping and  
20 mailing costs, plus a handling fee equal to not more than 50 percent of the actual  
21 shipping and mailing costs.

22 ~~(E)~~(F) In the event the pledgor or seller has lost or destroyed the original pawn ticket,  
23 a pawnbroker may, at the time of redemption, charge a fee equal to not more than  
24 \$2.00."

## 25 SECTION 2.

26 This Act shall become effective on July 1, 2006, and be applicable to all pawn transactions  
27 entered into on or after that date.

## 28 SECTION 3.

29 All laws and parts of laws in conflict with this Act are repealed.